

For Immediate Release

Contact: Chris Puyear
christopher.puyear@mt.gov
(C): 406-431-2499

August 1, 2017

PSC Declines to Order NorthWestern Energy to File Rate-Case Information

HELENA, Mont. – The Montana Public Service Commission today declined to require NorthWestern Energy to make a comprehensive revenue requirements filing for its electric production assets.

On July 28, the PSC heard arguments about whether or not to compel NorthWestern to produce information regarding its electricity supply portfolio and owned generating assets. At the hearing, NorthWestern officials testified that the information would be unduly burdensome for the company to produce by the Commission’s specified deadline of September 30, 2017. Parties, including the Montana Consumer Counsel, also suggested the Commission would retain a broad array of options even without the information.

“The Commission is confident that a filing is not required at this time, and appreciates NorthWestern’s commitment to file a rate case next year,” said Chairman Brad Johnson, R-East Helena.

The PSC expressed interest in obtaining the information as part of its work to consider a new electricity supply tracking mechanism. The existing tracker allows NorthWestern recovery of a broad array of costs, outside of a traditional rate case. The legislature enacted HB 193 earlier this year, which allows the Commission to set up a risk-sharing arrangement between NorthWestern shareholders and consumers for costs related to its power supply.

“If the Commission dropped certain cost categories from the tracker, the Commission could conduct an earnings test to ensure the company was not left with too large a gap between costs and revenues until the next rate case,” said Commissioner Travis Kavulla, R-Great Falls. “At this juncture it’s clear that an equitable cost sharing mechanism can be developed without placing these information requirements on the utility.”

It has been nearly a decade since NorthWestern filed a rate case for electric supply, and instead has pursued rate changes through special-issue proceedings involving individual generating assets. The Commission has been critical of this “piecemeal” ratemaking, which it views as not standard to the industry.

The Commission will now allow written discovery to be conducted on a proposal for a new tracker filed by NorthWestern several weeks ago, which the utility has termed its Power Cost and Credits Adjustment Mechanism, or PCCAM.

###

For PSC updates please follow us on twitter [@MT_PSC](#), and “like” our Facebook page [Montana PSC](#)

Made up of five elected commissioners, the PSC works to ensure that Montanans receive safe and reliable service from regulated public utilities while paying reasonable rates. Utilities regulated by the PSC generally include private investor-owned natural gas, electric, telephone, water, and sewer companies. In addition, the PSC regulates certain motor carriers, and oversees natural gas pipeline safety and intrastate railroad safety.